

RECORDATION NO. 24829-A FILED

FEB 25 '04 2:51 PM

SURFACE TRANSPORTATION BOARD

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

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OF COUNSEL
URBAN A. LESTER

February 25, 2004

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Commercial Security Agreement, dated as of December 30, 2003, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Schedule No. 2 to Full Service Master Lease Agreement which was previously filed with the Board under Recordation Number _____.

The names and addresses of the parties to the enclosed document are:

Debtor: Midwest Railcar Corporation
3 Professional Park Drive, Suite B
Maryville, IL 62062

Secured Party: First Mid-Illinois Bank & Trust, NA
12616 State Route 143
Highland, IL 62249

Mr. Vernon A. Williams
February 25, 2004
Page Two

A description of the railroad equipment covered by the enclosed document
is:

12 flat bottom gondola cars: MWCX 100390 – MWCX 100401

A short summary of the document to appear in the index is:

Memorandum of Commercial Security Agreement

Also enclosed is a check in the amount of \$30.00 payable to the order of
the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the
undersigned.

Very truly yours,



Robert W. Alvord

RWA/anm
Enclosures

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SURFACE TRANSPORTATION BOARD

MEMORANDUM OF COMMERCIAL SECURITY AGREEMENT

dated December 30, 2003

by and between

**MIDWEST RAILCAR CORPORATION,
as Debtor**

and

**FIRST MID-ILLINOIS BANK & TRUST
as Secured Party**

MEMORANDUM OF COMMERCIAL SECURITY AGREEMENT

THIS MEMORANDUM OF COMMERCIAL SECURITY AGREEMENT (this "memorandum") is made this 30th day of December, 2003, by and between **MIDWEST RAILCAR CORPORATION**, an Illinois corporation ("Borrower"), and **FIRST MID-ILLINOIS BANK AND TRUST, NA**, a state-chartered Federal Reserve Member bank organized under the laws of the State of Illinois ("Bank").

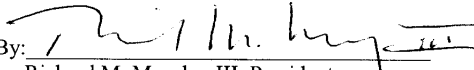
- A. The Borrower and the Bank are parties to that certain Loan Agreement dated as of December 30, 2003 (collectively, the "Loan Agreement"), pursuant to which the Bank agreed to extend to the Borrower the loan described in the Agreement.
- B. To secure the Borrower's Obligations (as defined in the Loan Agreement) to the Bank, the Borrower executed and delivered to the Bank a Commercial Security Agreement dated as of December 30, 2003, pursuant to which the Borrower granted to the Bank a continuing, first priority security interest in and to, and lien on, certain railcars, including the following:
 - (a) Twelve (12), 4,000 cubic foot, 100-ton flat bottom gondolas described on Exhibit "A" attached hereto (each, a "Railcar", collectively, the "Railcars") and all replacements and substitutions thereof;
 - (b) All improvements, additions, modifications, accessions, attachments, appurtenances and parts appertaining or attached to the Railcars, whether now owned or hereafter acquired;
 - (c) All logs, books and records pertaining to the use, operation and/or maintenance of the Railcars or otherwise relating to any of the collateral described herein;
 - (d) All rights, claims and causes of action, if any, which the Borrower may have now or in the future against any manufacturer, rebuilder or seller of the Railcars (or any component thereof) or any other Person, by contract or otherwise, in respect of any defect in the Railcars or any part thereof;
 - (e) Any agreement now or hereafter entered into for leasing the Railcars to any third party, and the right to receive all payments and other sums due and to become due from time to time thereunder, to receive all notices and give consents, to exercise any election or option, to declare defaults and to demand payment of any sum due in connection therewith;
 - (f) All rent, damages and other moneys from time to time payable to or receivable by the Borrower in respect of the Railcars;
 - (g) All proceeds (cash and non-cash), including insurance proceeds, settlement proceeds and condemnation awards thereof.

(SIGNATURES APPEAR ON THE FOLLOWING PAGE)

IN WITNESS WHEREOF, the parties have caused this Memorandum to be executed as of the date first above written.


WITNESS:

MIDWEST RAILCAR CORPORATION

By: 
Richard M. Murphy, III, President

WITNESS:

FIRST MID-ILLINOIS BANK AND TRUST, NA


By: 
Gordon D. Smith, Community President

STATE OF MO, county of Sherburne

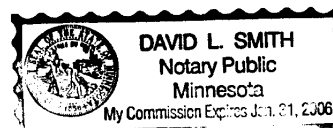
On this 30th day of December, 2003, before me, a Notary Public of the County and State aforesaid, personally appeared Richard M. Murphy, III, to me personally known, who being by me duly sworn, says that he is the President of Midwest Railcar Corporation, an Illinois corporation, that the seal affixed to the foregoing instrument is the seal of said association, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and the acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal

(Seal)


Notary Public

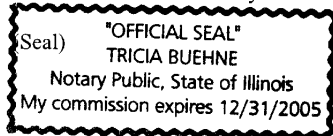
My commission expires: 1-31-06



STATE OF ILLINOIS, County of Madison

On this 30th day of December, 2003, before me, a Notary Public of the County and State aforesaid, personally appeared Gordon D. Smith, to me personally known, who being by me duly sworn, says that he is a President of FIRST MID-ILLINOIS BANK AND TRUST, NA, that the seal affixed to the foregoing instrument is the seal of First Mid-Illinois Bank and Trust, NA, that said instrument was signed and sealed on behalf of First Mid-Illinois Bank and Trust, NA by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of First Mid-Illinois Bank and Trust, NA.

AS WITNESS my hand and notarial seal



Tricia Buehne
Notary Public

My commission expires:

EXHIBIT "A"

DESCRIPTION OF RAILCARS

Car Specifications:

Car Marks:	MWCX 100390 – MWCX 100401, inclusive
Car Type Code:	J301
Cubic Capacity:	4000
Total Weight on Rail:	263,000 lbs.
Tare Weight:	59,000-61,300 lbs.
Load Limit:	201,700-204,000 lbs.